



# UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE

United States Patent and Trademark Office

Address: COMMISSIONER FOR PATENTS

P.O. Box 1450

Alexandria, Virginia 22313-1450

www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/693,277	10/24/2003	Michael Kumar	030694	2356
26285	7590	02/19/2010	EXAMINER	
K&I, GATES LLP			POLLOCK, GREGORY A	
535 SMITHFIELD STREET			ART UNIT	
PITTSBURGH, PA 15222			PAPER NUMBER	
			3695	
			MAIL DATE	
			DELIVERY MODE	
			02/19/2010	
			PAPER	

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/693,277

**Applicant(s)**

KUMAR ET AL.

**Examiner**

GREG POLLOCK

**Art Unit**

3695

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 12/23/2009.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 2,3,7,9,10,15-17,21 and 23-33 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 2,3,7,9,10,15-17,21 and 23-33 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
  2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
  3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: \_\_\_\_\_

### DETAILED ACTION

1. This action is responsive to claims filed 12/23/2009 and Applicant's request for reconsideration of application 10/693277 filed 12/23/2009.

The amendment contains original claims 16 and 17.

The amendment contains previously presented claims 2, 3, 7, 9, 10, 21, 23, 24, 26-28, 30, and 31.

The amendment contains amended claims 15, 25, 29, 32, and 33.

Claims 1, 4-6, 8, 11-14, 18-20, and 22 have been canceled.

As such, claims 2, 3, 7, 9, 10, 15-17, 21, and 23-33 have been examined with this office action.

### ***Claim Rejections - 35 USC § 101***

2. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

3. **Claims 2, 3, 7, 9, 10, 15-17, 21, 23-33** are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims are directed toward the statutory category of a method (process), however based on Supreme Court precedent and recent Federal Circuit decisions, the Office's guidance to examiners is that a statutory § 101 process must (1) be tied to a particular machine or apparatus or (2) physically transform underlying

subject matter (such as an article or materials) to a different state or thing. (i.e. "machine-or transformation test"). If neither of these requirements is met by the claim, method is not a patent eligible process under § 101 and is rejected as being directed toward non-statutory subject matter.

There are two corollaries to the machine-or-transformation test. First, a mere field-of-use limitation in the preamble is insufficient to render an otherwise ineligible method claim patent-eligible. The machine or transformation must impose meaningful limits on the method claims scope to pass the test. Second, insignificant extra-solution activity will not transform an unpatentable principle into a patentable process. Therefore, reciting a specific machine or a particular transformation of a specific article is an insignificant step, such as data gathering or outputting, is not sufficient to pass the test. Nominal recitations of structure in an otherwise ineligible method fail to make the method a statutory process. See Benson, 409 U.S. at 71-72. As Comiskey recognized, "the mere use of the machine to collect data necessary for application of the mental process may not make the claim patentable subject matter." Comiskey, 499 F.3d at 1380 (citing In re Grams, 888 F.2d 835, 839-40 (Fed. Cir.1989)). Incidental physical limitations, such as data gathering, field of use limitations, and post-solution activity are not enough to convert an abstract idea into a statutory process. In other words, nominal or token recitations of structure in a method claim do not convert an otherwise ineligible claim into an eligible one.

As example of a method claim that would not qualify as a statutory process would be a claim that recited purely mental steps. Thus to qualify as a § 101 statutory process, the claim should positively recite the other statutory class (thing or product) to which it is tied, for example by identifying the apparatus that accomplishes the method steps, or positively recite the subject matter being transformed, for example by identifying the material being changed to a different state. (Diamond v. Diehr, 450 US 175, 184 (1981); Parker V. Flook, 437 US 584,588 n.9 (1978); Gottschalk v. Benson, 409 US 63, 70 (1972); Cochrane v. Deener, 94 US 780, 787-88 (1876)). Applicant is also directed to MPEP § 2173.05p, providing guidance with respect to reciting a product and process in the same claim and MPEP § 2111.02 [R3] providing guidance with respect to the effect of limitations within the preamble of a claim.

In reference to claims, the claims do not positively recite the other statutory class (thing or product) to which it is tied, by identifying the apparatus that accomplishes the method steps. For example, claim includes the nominal recitations of “an electronic fund transfer computer system”. However the limits of claim 25 do not recite what structural apparatus is performing the execution of the terms of the contract, only the transfer of funds. Therefore, performance of the method steps (limits) directed toward establishing and execution of the contract (which appears to be considered a core/central part of what the

applicant invented) are broadly interpreted to encompass all means by which the claim limit can be performed (including a purely mental step performed by a human). To resolve this deficiency, it must be made clear what underlying apparatus is used to perform each recited method step, particularly those that are considered a core/central part of what the applicant invented. Additionally, merely stating the underlying apparatus in the preamble is not sufficient. Further, if the method step is performed by software, it must be made clear that the software resides on a physical media and when read by a processor executes the method steps (all of which requires support in the specification).

***Claim Rejections - 35 USC § 103***

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.
5. Claims 2, 3, 9, 15-17, 23, 25, and 29-33 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dines et al. (PGPub No. 20020052793) in view of applicant's background of invention (Kumar et al., U.S. Application No. 10/693277, "BACKGROUND OF INVENTION" section and Figure 1, labeled prior art.) in further view of Hammour et al. (PGPub No. 20040177029) in further view of Perry et al. (PGPub No. 20050044034) in further view of official notice.

**As per claim 25**, Dines et al. teaches a method comprising: **paying, by a purchaser** (a buyer [¶19, lines 1-6] which may be a derivatives hedging products (DHP) supplier [¶4]), **a payment via an electronic fund transfer computer system to a first business entity pursuant to a purchase agreement the purchaser and the first business entity** (a computer system (where "electronic fund transfer" as a description of a computer system is non-function descriptive matter and therefore, given no patentable weight) [¶52] transmit payments [claim 8] according to contracts for delivery of quantities of a commodity between a buyer and producers [¶10], also see [¶35, lines 10-13], [¶39, lines 1-4], [claim 6, line 2-3], and [claim 17, lines 2-3]), **that obligates the purchaser to purchase volumes of a commodity from the first business entity** (quantity requirements [¶3]), **where a party, separate from the first business entity, is obligated to deliver volumes of the commodity to the first business entity** ([¶19]) **pursuant to a forward contract the first business entity and the party** ([¶38]) **where the electronic fund transfer computer system comprises a plurality of networked computers, wherein at least one of the networked computers comprises a read only memory and a random access memory** (a computer system (where "electronic fund transfer" as a description of a computer system is non-function descriptive matter and therefore, given no patentable weight) [¶52] [claim 8], where it is inherent that the computer workstation contain read only memory and a random access memory in order to run software that interacts with other computers.) **paying, by the purchaser, to the party a floating –price payment via the electronic fund transfer computer system pursuant to a swap agreement between the purchaser and the party**, ([¶38] and [¶39], where the purchaser now becomes a seller, or re-seller, and the "party" now is the buyer.) **that obligates the purchaser to pay the party a floating price that is an amount equal to the price at which the purchaser sells the volumes of the commodity in the open market and obligates the party to pay the purchaser a fixed price.** ([¶39]) **where a second business entity is obligated to supply volumes of the commodity to the first business entity pursuant to a contingent supply agreement between the second business entity and the first business entity upon failure of the party to deliver the necessary volumes of the commodity required by the forward contract** ([¶19]).

Dines et al. does not detail that a **pre-payment from the first business entity is paid with proceeds from an offering of debt securities to investors by the first business entity and where the purchase agreement between the purchaser and the first business entity permits the purchaser to terminate the purchase agreement when there is a default on the swap agreement.**

The applicant's background of invention teaches a **pre-payment from the first business entity is paid with proceeds from an offering of debt securities to**

**investors by the first business entity** ([¶3, lines 4-8] and Figure 1 (Prior Art), "OFFERING")

It would be obvious to one skilled in the art at the time of the invention to combine the prior teaching as disclosed by the applicant with the swap agreement of commodities, as disclosed by Dines et al. One skilled in the art would be so inclined to combine the two since Dines et al. would allow the special purpose vehicle of the applicant's disclosed system the ability to reduce its vulnerability to price risks that can cut into profits, and would allow the purchaser the ability to attract more producers and resellers, and benefits from greater certainty with respect to supply quantity.

Dines et al. and the applicant's background of invention do not specifically indicate the use of **a contingent supply agreement, a cross-default provision that specifies that a default on the swap agreement by the party results in default of the contingent supply agreement by the second business entity, which default by the second business entity requires the first business entity to terminate the contingent supply agreement** and that the purchase agreement between the purchaser and the first business entity comprises provisions that permit the purchaser to terminate the purchase agreement when the first business entity terminates the contingent supply agreement.

Hammour et al. teaches the use of **a cross-default provision that specifies that a default on the swap agreement by the party results in default of the contingent supply agreement by the second business entity, which default by the second business entity requires the first business entity to terminate the contingent supply agreement** ([¶267] [¶288]).

It would have been obvious to one skilled in the art at the time of the invention to combine the Hammour et al. with that of prior teaching as disclosed by the applicant and Dines et al. to achieve the claimed invention. One skilled in the art would be so inclined to combine the two since Hammour et al. would provides a system for transferring the risk of performance and payments under a physical contract during delivery and to assure that payments are made on an ongoing basis and security is maintained so that exposure of the parties to default by the other party is reduced commensurate with performance.

Dines et al., the applicant's background of invention, and Hammour et al., do not specifically that **the purchase agreement between the purchaser and the first business entity comprises provisions that permit the purchaser to terminate the purchase agreement when the first business entity terminates the contingent supply agreement**.



Perry et al. teaches the method **wherein the purchase agreement between the purchaser and the first business entity comprises provisions that permit the purchaser to terminate the purchase agreement when the first business entity terminates the contingent supply agreement** ("A commodity swap may be terminated by the System, either upon the occurrence of a Termination Event [¶30, lines 11-14] [Abstract, lines 7-15], were a termination event could include any agreed upon event made by the participants [¶30, lines 14-20]).

It would have been obvious to one skilled in the art at the time of the invention to combine the Perry et al. with that of prior teaching as disclosed by the applicant, Dines et al., and Hammour et al. to achieve the claimed invention. One skilled in the art would be so inclined to combine the two since Perry et al. would provides a system for transferring the risk of performance and payments under a physical contract during delivery and to assure that payments are made on an ongoing basis and security is maintained so that exposure of the parties to default by the other party is reduced commensurate with performance.

Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. do not specifically indicate that the termination of the contract is due to "the party" (a sub-contractor or contingent supplier to the first business entity) not meeting supply obligations.

The use of contingent suppliers is old and well known.

It would have been obvious to one skilled in the art at the time of the invention that a contingent supplier could be combined with Dines et al., the applicant's background of invention, and Perry et al. used to achieve the claimed invention. From the point of view of the purchaser, it only matters if the supply obligation is met, regardless of who is supplying the commodity. If the supply obligations for which the first entity is responsible is not met, then obviously the purchaser will terminate the contract. Therefore, one of ordinary skill would be motivated to combine the teaching to provide the purchaser with greater protection against outsourcing of the commodity by the first business entity to the purchaser.

As per MPEP § 2144.03(C), with respect to an Examiner's use of Official Notice:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111 (b).

The same section continues:

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant

either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

Applicant has not challenged or traversed the examiner's use of official notice in the previous office action, and repeated herein. As such, the examiner now considers as admitted prior art, that "the use of contingent suppliers is old and well known" is considered to be common knowledge or well-known in the art.

**As per claim 2, the rejection of claim 25 has been addressed.**

Dines et al. does not teach the method **wherein the first business entity is a special purpose vehicle owned by the company.**

The applicant's background of invention teaches a method **wherein the first business entity is a special purpose vehicle owned by the party.** (special purpose vehicle, SPV, [¶3, lines 1-7] and Figure 1 (Prior Art), element 12)

It would be obvious to one skilled in the art at the time of the invention to combine the prior teaching as disclosed by the applicant with the swap agreement of commodities, as disclosed by Dines et al. One skilled in the art would be so inclined to combine the two since a special purpose vehicle would allow the parent entity, the company, benefits including, tax advantages, bankruptcy remoteness, asset insulation and reduced liability.

**As per claim 3, the rejection of claim 25 has been addressed.**

Dines et al. teaches the method **wherein the fixed price that the party is obligated to pay the purchaser pursuant to the swap agreement equals the price at which the purchaser is obligated to pay the first business entity pursuant to the purchase agreement.** (the price for a quantity of the commodity can have a premium or discount [¶16, lines 1-3] which may be equal to the observed price [¶16, lines 3-6])

**As per claim 9, the rejection of claim 25 has been addressed.**

Dines et al. does not teach the method **wherein the purchase agreement between the purchaser and the first business entity permits the purchaser to terminate the purchase agreement when the default of the company under the swap agreement exceeds a threshold amount specified in the contingent supply agreement.**

Perry et al. teaches the method **wherein the purchase agreement between the purchaser and the first business entity permits the purchaser to terminate the purchase agreement when the default of the company under the swap agreement exceeds a threshold amount specified in the contingent supply agreement.** ("A commodity swap may be terminated by the System, either upon the occurrence of a Termination Event [¶30, lines 11-14], were a termination

event could include any agreed upon event made by the participants [¶30, lines 14-20])

It would be obvious to one skilled in the art at the time of the invention to combine the Perry et al. with that of prior teaching as disclosed by the applicant and Dines et al. to achieve the claimed invention. One skilled in the art would be so inclined to combine the two since Perry et al. would provides a system for transferring the risk of performance and payments under a physical contract during delivery and to assure that payments are made on an ongoing basis and security is maintained so that exposure of the parties to default by the other party is reduced commensurate with performance.

Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. do not specifically indicate that the termination of the contract is due to "the party" (a sub-contractor or contingent supplier to the first business entity) not meeting supply obligations.

The use of contingent suppliers is old and well known.

It would have been obvious to one skilled in the art at the time of the invention that a contingent supplier could be combined with Dines et al., the applicant's background of invention, and Perry et al. used to achieve the claimed invention. From the point of view of the purchaser, it only matters if the supply obligation is met, regardless of who is supplying the commodity. If the supply obligations for which the first entity is responsible is not met, then obviously the purchaser will terminate the contract. Therefore, one of ordinary skill would be motivated to combine the teaching to provide the purchaser with greater protection against outsourcing of the commodity by the first business entity to the purchaser.

As per MPEP § 2144.03(C), with respect to an Examiner's use of Official Notice:

To adequately traverse such a finding, an applicant must specifically point out the supposed errors in the examiner's action, which would include stating why the noticed fact is not considered to be common knowledge or well-known in the art. See 37 CFR 1.111 (b).

The same section continues:

If applicant does not traverse the examiner's assertion of official notice or applicant's traverse is not adequate, the examiner should clearly indicate in the next Office action that the common knowledge or well-known in the art statement is taken to be admitted prior art because applicant either failed to traverse the examiner's assertion of official notice or that the traverse was inadequate. If the traverse was inadequate, the examiner should include an explanation as to why it was inadequate.

Applicant has not challenged or traversed the examiner's use of official notice in the previous office action, and repeated herein. As such, the examiner now

considers as admitted prior art, that "the use of contingent suppliers is old and well known" is considered to be common knowledge or well-known in the art.

**As per claim 15**, All of the limits of Claim 15 have been previously addressed in Claim 25 and is therefore rejected using the same prior art and rationale.

**As per claim 16**, the rejection of claim 15 has been addressed.  
All of the limits of Claim 16 have been previously addressed in Claim 2 and is therefore rejected using the same prior art and rationale.

**As per claim 17**, the rejection of claim 15 has been addressed.  
All of the limits of Claim 17 have been previously addressed in Claim 3 and is therefore rejected using the same prior art and rationale.

**As per claim 23**, the rejection of claim 22 has been addressed.  
All of the limits of Claim 21 have been previously addressed in Claim 9 and is therefore rejected using the same prior art and rationale.

**As per claim 29**, All of the limits of Claim 29 have been previously addressed in Claim 25, and is therefore rejected using the same prior art and rationale.

**As per claim 30**, the rejection of claim 29 has been addressed.  
All of the limits of Claim 16 have been previously addressed in Claim 3 and is therefore rejected using the same prior art and rationale.

**As per claim 31**, the rejection of claim 29 has been addressed.  
All of the limits of Claim 31 have been previously addressed in Claim 15 and is therefore rejected using the same prior art and rationale.

**As per claim 32 and 33**, All of the limits of Claim 30 and 31 have been previously addressed in Claim 25 and is therefore rejected using the same prior art and rationale.

6. Claims 26-28 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dines et al. (PGPub No. 20020052793) in view of applicant's background of invention (Kumar et al., U.S. Application No. 10/693277, "BACKGROUND OF INVENTION" section and Figure 1, labeled prior art.) in further view of Hammour et al. (PGPub No. 20040177029) in further view of Perry et al. (PGPub No.

20050044034) in further view of official notice in further view of Trenk et al. (U.S. Patent No. 20020095361).

**As per claim 26, the rejection of claim 25 has been addressed.**

Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. do not teach the method **wherein payments made by the purchaser to the first business entity pursuant to the purchase agreement are deposited in a collections account.**

Trenk et al. teaches a method **wherein payments made by the purchaser to the first business entity pursuant to the purchase agreement are deposited in a collections account** ([Abstract], [Figures 3 and 4], and [¶20-40]).

It would be obvious to one skilled in the art at the time of the invention to combine Trenk et al. with Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. to achieve the claimed invention. One skilled in the art would be so inclined to combine the inventions because Trenk et al. provides a means by which to securitize cash flow wherein the cash flow is derived from a future obligation to purchase goods or services. This allows its investors to hedge the risk of under achieving providers.

**As per claim 27, the rejection of claim 25 has been addressed.**

Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. do not teach the method **wherein payments made by the first business entity to the investors for principal and interest amounts on the debt securities are funded by the collections account.**

Trenk et al. teaches a method **wherein payments made by the first business entity to the investors for principal and interest amounts on the debt securities are funded by the collections account.** ([Abstract], [Figures 3 and 4], and [¶20-40]).

It would be obvious to one skilled in the art at the time of the invention to combine Trenk et al. with Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. to achieve the claimed invention. One skilled in the art would be so inclined to combine the inventions because Trenk et al. provides a means by which to securitize cash flow wherein the cash flow is derived from a future obligation to purchase goods or services. This allows its investors to hedge the risk of under achieving providers.

**As per claim 28, the rejection of claim 25 has been addressed.**

Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. do not teach the method **wherein the collections account is maintained by a trust**.

Trenk et al. teaches a method **wherein the collections account is maintained by a trust** [Abstract], [Figures 3 and 4], and [¶20-40]).

It would be obvious to one skilled in the art at the time of the invention to combine Trenk et al. with Dines et al., the applicant's background of invention, Hammour et al., and Perry et al. to achieve the claimed invention. One skilled in the art would be so inclined to combine the inventions because Trenk et al. provides a means by which to securitize cash flow wherein the cash flow is derived from a future obligation to purchase goods or services. This allows its investors to hedges the risk of under achieving providers.

7. Claims 7 and 21 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dines et al. (PGPub No. 20020052793) in view of applicant's background of invention (Kumar et al., U.S. Application No. 10/693277, "BACKGROUND OF INVENTION" section and Figure 1, labeled prior art.) in further view of Hammour et al. (PGPub No. 20040177029) in further view of Perry et al. (PGPub No. 20050044034) in further view of official notice in further view of Miri et al. (PGPub No. 20050125341).

**As per claim 7, the rejection of claim 25 has been addressed.**

Dines et al. does not teach the method **wherein the second business entity is a parent of the party** ([¶19]).

Miri et al. teaches the method **wherein the second business entity is a parent of the company**. (Figure 3, shows a parent company with subsidiaries, who deliver a commodity, gas or power, according to master agreements. The master agreements link all underlying commodity-trading to a single contract which may be terminated in the case of default [¶28], which one skilled in the art would infer to mean insufficient supply volumes.)

It would be obvious to one skilled in the art at the time of the invention to combine the master agreement of Miri et al. with the teaching of Dines et al, to

achieve a contingent supply agreement if the company fails to deliver the necessary volumes of the commodity required by the forward contract. One skilled in the art would be so inclined to combine the two to reduce possible default of the special purpose vehicle (first business entity), and thus increase the probability of success of the contractual agreement between the first business entity and the purchaser.

**As per claim 21**, the rejection of claim 20 has been addressed. All of the limits of Claim 21 have been previously addressed in Claim 7 and is therefore rejected using the same prior art and rationale.

8. Claims 10 and 24 are rejected under 35 U.S.C. 103(a) as being unpatentable over Dines et al. (PGPub No. 20020052793) in view of applicant's background of invention (Kumar et al., U.S. Application No. 10/693277, "BACKGROUND OF INVENTION" section and Figure 1, labeled prior art.) in further view of Hammour et al. (PGPub No. 20040177029) in further view of Perry et al. (PGPub No. 20050044034) in further view of official notice in further view of Ford (U.S. Patent No. 6862580).

**As per claim 10**, the rejection of claim 25 has been addressed. Dines et al. does not teach the method **wherein the second business entity is unrelated to the company**.

Ford teaches the method **wherein the second business entity is unrelated to the company**. (Figures 3a and 3b, element 24 (Alternative Source) and [column 5, lines 30-40])

It would be obvious to one skilled in the art at the time of the invention to combine the master agreement of Miri et al. with the teaching of Dines et al, to achieve a contingent supply agreement if the company fails to deliver the necessary volumes of the commodity required by the forward contract with an alternative source not related to the company.. One skilled in the art would be so inclined to combine the two to reduce possible default of the special purpose vehicle (first business entity), and thus increase the probability of success of the contractual agreement between the first business entity and the purchaser, and at the same time increase profitably of the special purpose vehicle, and thus the company, by using a less expensive supplier of the commodity.

**As per claim 24**, the rejection of claim 20 has been addressed.  
All of the limits of Claim 21 have been previously addressed in Claim 10 and is therefore rejected using the same prior art and rationale.

***Response to Arguments***

9. Applicant's arguments with regards to claims 2, 3, 7, 9, 10, 15-17, 21, 23-33, filed 12/23/2009 have been fully considered but they are not persuasive.
10. APPLICANT REMARKS CONCERNING Claim Rejections - 35 USC § 101 (page 10): The applicant contends that In the Office Action, the pending claims were rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. Applicants submit, however, that the claims satisfy § 101 because the claimed processes are tied to specific machines, i.e., an electronic fund transfer computer system. See *In re Bilski*, 545 F.3d 943, 88 USPQ2d 1385, 1391 (Fed. Cir. 2008) (en banc) ("A claimed process is surely patent-eligible under § 101 if... it is tied to a particular machine or apparatus..."). Moreover, because the claims recite a particular machine, they do not preempt a fundamental principal. See *id.* at 1391 ("claimed process involving a fundamental principle that uses a particular machine or apparatus would not pre-empt uses of the principle that do not also use the specified machine or apparatus in the manner claimed"). Therefore, the claims are patent-eligible.  
  
The Office Action's reasoning for rejecting the claims under § 101 says that the claim does not recite the structural apparatus of the "core/central part of what the



applicant invented." The analysis is flawed because the claims define the scope of the invention and it is improper for the Office to reduce the claimed invention to its purported "core" or "central part." See MPEP § 2106 ("The claims define the property rights provided by a patent..."); MPEP § 2141.02 ("Distilling an invention down to the 'gist' or 'thrust' of an invention disregards the requirement of analyzing the subject matter 'as a whole.'" (citing *W.L. Gore & Associates, Inc. v. Garlock, Inc.*, 721 F.2d 1540, 220 USPQ 303 (Fed. Cir. 1983), cert. denied, 469 U.S. 851 (1984))). Here, the independent process claims recite multiple steps, and each step is performed using an electronic fund transfer computer system. Therefore, the claims are patent-eligible under *Bilski*.

11. EXAMINER'S RESPONSE: As stated in the 35 USC § 101 rejection, the claims do not positively recite the other statutory class (thing or product) to which it is tied, by identifying the apparatus that accomplishes the method steps directed toward establishing a the contract (which appears to be considered a core/central part of what the applicant has claimed to have invented). The transfer of payments using a computer system and the determination of payments as a result of establishing the contract are separate activities. Broadly interpreted, the claim limits involving "determination of payments as a result of establishing the contract" encompass all means by which the claim limits can be performed (including a purely mental step performed by a human). Using this broad interpretation, the payments can be determined as human steps (pencil and paper, purely mental step, spreadsheet, ect ...) and the results of the payment

calculation can then be used to transfer funds by use of the computer system.

There is nothing in the claims or even in the applicant's disclosure to suggest that the "determination of the payments" is performed by software specifically incorporating the method steps involving the contract. Any computer system capable of transferring funds over the Internet could perform the method steps as claimed and disclosed in the present application. Therefore, the applicant's argument that the claims, as amended, recite patent eligible subject matter under § 101 because they are tied to a particular machine, i.e., an electronic fund transfer computer system is not valid since software performing the method steps specific to determining payments according to the contract (which appears to be considered a core/central part of what the applicant claims to have invented) is not claimed, disclosed, or inherent.

12. APPLICANT REMARKS CONCERNING Prior Art Rejections: With respect to claims 2, 3, 7, 9, 10, 15-17, 21, 23-33, the applicants argue that the cited prior art does not teach or suggest the amended claims.
13. EXAMINER'S RESPONSE: Applicant's arguments with respect to claims 2, 3, 7, 9, 10, 15-17, 21, 23-33 have been considered but are moot in view of the new ground(s) of rejection. The rejection above serves as the examiners response to the applicant's arguments.
14. Therefore, in view of the above reasons, Examiner maintains rejections.

***Conclusion***

15. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Gregory Pollock whose telephone number is 571 270-1465. The examiner can normally be reached on 7:30 AM - 4 PM, Mon-Fri Eastern Time.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Chuck Kyle can be reached on 571 272-5233. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

GAP

02/15/2010

/Gregory Pollock/  
Examiner, Art Unit 3695

Gregory A. Pollock

/Thu Thao Havan/  
Primary Examiner, Art Unit 3695